



The Insider

www.senate.michigan.gov/switalski

Inside State Politics with State Senator Mickey Switalski Senate District 10

October 16, 2009

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at senmswitalski@senate.michigan.gov or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a location near you. Call my office and make an appointment or just walk in. See the schedule below for details.

Mickey's Blog: What A Bunch of QAAP

I have taken an unusual and sometimes unpopular stand among Democrats this year. I have insisted that we make cuts to our budgets to fit the constricting Michigan economy. Our revenue is down by 12% over last year, and all of our budgets have to reflect that unpleasant fact. We may cut some more than others, but no one should be spared cuts.

That puts me largely in agreement with the Republican approach to this year's budget.

I am ok with that.

If I need a defense for agreeing with Republicans when they happen to be right, then consider this: House Speaker Andy Dillon, Detroit Mayor Dave Bing, and Detroit Public Schools Emergency Manager Robert Bobb have all come to the same conclusion. I could add Chairman Paul Gieleghem and the Macomb County Board of Commissioners. All these Democrats have decided they must cut their budgets to address their deficits. There is one common denominator: Fiscal Responsibility.

There is one important difference, however. Many of my Republican friends who want to cut would find the option of raising revenue unthinkable. I differ. I dare them to consider all my options. It so happens that at this time, with our economy struggling and people hurting, raising taxes is generally a poor option. But there is one tax that I believe we should consider.

So anyone opposed on ideological grounds to all taxes, forgive me. I will continue to fight the good fight on making cuts to our budgets. But independent cuss that I am, I will now utter heresy, appear inconsistent, and make the case for a targeted tax increase that is good policy and justified by its unique features.

I am talking about the Physician Tax, or Doctors' Quality Assurance Assessment Program (QAAP). I support a 3% tax on a doctor's gross revenues. The doctors would pay this to the state, and then the state would draw down matching funds from the Federal Government on a 70/30 basis. If we raised \$150 million with the tax, the feds would give us \$350 million, and we would have \$500 million dollars.

That is a major chunk of change.

What would we do with the loot? Give it back to the doctors.

So appreciate the uniqueness of this tax. Tax doctors, raise more than double what you taxed them, and then give them MORE money back than they paid in. Just them. No one else gets a free payday.

About half of doctors in the state won't treat Medicaid patients, who are poor people with no insurance, because the state reimbursement rates are so low that they lose money on each patient. And by the way, I just pushed through a budget that cut those already low rates an additional 8%, because, as I may have mentioned, WE HAVE NO MONEY. Still, the result will be even fewer doctors taking Medicaid, reducing access to care for the poor, and increasing the most expensive care, the emergency room. More poor people will go to the emergency room for the free care that the law says the state must provide.

Dumb, right?

So if we want to be smart, we could use the half billion the QAAP tax raised, and increase reimbursement rates to doctors from the low Medicaid rate to the generous Medicare rate. The result would be increased access to care for the poor, efficient care instead of expensive emergency care, and increased pay for doctors.

If at least 3% of a doctor's patients are Medicaid patients, the doc would break even. He would pay as much in the tax as he got back in higher reimbursement. Any more than 3% and he would make money. But, and this is important, if he treats fewer or none, he would actually lose money.

I think this makes sense, and I agreed to sponsor the bill in the Michigan Senate. I think it at least deserves consideration, and I would submit that my actions as a budget cutter should demonstrate my bona fides, and that this is not some desperate attempt to raise money because I am unwilling to make tough cuts.

I already made the tough cuts.

Doctors hate the idea of a Physician Tax. They hate it before they even know what it is. I can understand that, and I try to patiently respond to their comments, questions, and outraged objections, because what I seek is an honest evaluation and negotiation on this option.

Doctors have many objections.

Why pick on doctors? Why not tax politicians and lawyers? Easy. The Feds don't match such taxes. But by the way, they match it for Hospitals, HMOs, Community Mental Health and Nursing Homes. We have had QAAPs there for 5 years and they have worked well. That track record tells me it would work for the doctors.

What if the Federal rules change? Will doctors be left with a tax and no match? A legitimate concern.

Let's agree on language in the bill that says if the Federal rules change, the tax ends.

What if the state gets the tax, and then lowers the reimbursement rate anyway? A fair concern. Let's put in language that guarantees the Medicare rate.

Gross revenues are unfair. Many costs for vaccines, rent, and utilities should not be included in the tax. OK. If you will come to the negotiating table, we can come to an agreement on the definition of gross revenue, excluding some of these items.

What if the state takes the money, and uses it to plug other budget holes? That would be typical, and is a real concern. Let's put tight language in requiring all money to be used for health care purposes within the DCH budget.

Then there is the philosophical argument. The Feds shouldn't give away money they don't have. I kind of agree. If I was a Fed, I would insist on pay as you go. But if the Feds are giving, I am taking.

Otherwise, all the other states take, and Michigan just gets to pay for what others took.

Finally, doctors say "We don't trust you. What if it just doesn't work?" OK. Let's put a sunset in the bill that says it only lasts for one year. We can pass a new bill if both of us like it. And I and several colleagues whose word is actually good will sign in blood that we will kill any attempts to extend the sunset unless the doctors agree to it.

I also asked doctors to bring any other concerns they had, outside of the tax. Long standing complaints, such as tort reform or timely payments, have been mentioned. I demonstrated that I was willing to negotiate on these items by cosponsoring legislation addressing these items.

The Lord knows the Medicaid system itself has problems. Bring those concerns with solutions and I will support them.

I believe the real objection comes down to this. Some doctors will not treat Medicaid patients. These patients are poor and they tend to miss appointments. The reimbursement is low and cumbersome. Let someone else treat them. If they hold to that decision, they would pay the tax and not benefit from the higher reimbursement. They would be losers.

But is medical care for the poor a shared duty of our society? How should we address that duty? The public already pays significant taxes to fund Medicaid. Doctors contribute by treating those patients. What is the contribution of doctors who do not treat these patients?

Have I been successful in opening a dialogue with doctors?

Not really. Most just say, vociferously, NO. A few have been patient and reasonable, and have considered the QAAP on its merits, even if they still don't like it.

Let me thank them right now.

But the Medical Society, the Doctors' lobbyist, has just said no. I am now getting "Robo-Calls" in my district warning my constituents that I want to tax sick people. Rather than discuss and try to fix, this is an attempt to intimidate me and other colleagues into turning tail and running.

These guys don't know me. It has the opposite effect.

Win or lose, the idea has merit and deserves consideration and debate. That is my duty to you, and I will not shirk it.

As I said earlier, the budget has already passed with the 8% cut and I supported it.

The QAAP is a unique option that could make health care better. Isn't it at least worth talking about?

Mickey's Notes

GOVERNOR ANNOUNCES ASSISTANCE WEBSITE FOR PEOPLE IN NEED

Governor Jennifer Granholm recently announced a streamlined state website that will help the unemployed and other Michigan residents easily find programs that may assist them. The Helping Hand website, www.michigan.gov/helpinghand, offers information on jobs and training, unemployment benefits, health care, family support, and housing. People who are applying for food assistance will now be able to apply online through Helping Hand and will not have to visit a Department of Human Services Office. The website can also help people determine if they may be eligible for unemployment benefits or certain types of public assistance, such as Medicaid benefits.

While Helping Hand covers many programs and services, it doesn't include every available resource in every Michigan community. So the state is partnering with the Michigan Association of United Ways by providing links on Helping Hand to 2-1-1, the United Way system (<http://www.uwsem.org>) that connects people with information and resources. The state is also partnering with the Michigan Community Action Agency Association. For more information on the programs and services that the Macomb County Community Services Agency provides, visit <http://www.macombcountymi.gov/MCCSA/index.htm>.

MDOT POSTS GAME DAY TRAFFIC INFORMATION ONLINE

The Michigan Department of Transportation is making game day traffic information for the University of Michigan, Michigan State University, and Detroit Lions football games available on their website, which can be accessed at the following link: www.michigan.gov/gettingtothegame. Game day travel alerts will be regularly updated throughout the season.

In addition, you can get up-to-date road travel information for state roadways (as defined by the US, M, and I route designations), including a list of statewide lane closures, at www.michigan.gov/drive.

DHS CREATES MI BRIDGES WEBSITE FOR FOOD ASSISTANCE PROGRAM

The Michigan Department of Human Services is continuing its focus on ensuring that residents receive the benefits they are eligible for. Through the implementation of the MI Bridges program (an online food assistance application and client self-service portal), families who are eligible or participating in the food assistance program can access their account via the Internet at the following link: <http://www.michigan.gov/mibridges>.

UNEMPLOYMENT INSURANCE AGENCY TO HOLD FREE SEMINARS FOR EMPLOYERS ABOUT MICHIGAN'S UI SYSTEM

The Michigan Unemployment Insurance Agency (UIA) will host a series of ten free half-day seminars for employers about the state's unemployment program at various locations across the state in October and November, including one seminar in Clinton Township.

Each session starts at 8 a.m. and ends at 12:30 p.m. The Clinton Township seminar will be held on October 30 at the Macomb Intermediate School District's offices, located at 44001 Garfield Road, Central Training Room 100-B.

The seminars are designed to help explain to employers Michigan's UI tax and benefit programs as well as recent changes at the agency. Topics discussed at the seminar include how benefits are paid and charged to employer accounts, new online services available for employers, how the UIA calculates unemployment insurance tax rates, and how to appeal a UIA determination decision.

For more information on the seminars, including registration forms and entire event schedule, click on to the following link: (http://www.michigan.gov/documents/uia/Fall09Registration_290579_7.pdf).

PUBLIC SERVICE COMMISSION ANNOUNCES ITS 'BE WINTERWISE' WEBSITE

With winter approaching, the Michigan Public Service Commission (MPSC)'s website offers practical tips to residents on how to reduce their winter heating bills and provides information for how low income citizens can apply for financial assistance to avoid shut-offs.

The website also contains information on the Home Heating Credit and the Weatherization Assistance Program, and includes the Energy Assistance Directory, developed by the Coalition to Keep Michigan Warm, which provides a listing of public and private programs and resources by county. For more information, log on to the following link:

(http://www.michigan.gov/documents/bewinterwise_138994_7.htm) or 1-800-292-9555.

In addition, the MPSC is also reminding senior citizens over the age of 65 to be aware that utilities must reconnect utility service to them free of charge with no questions asked during the heating season, which runs from November 1 through March 31. Customers are urged to contact their utilities directly if they are having difficulty paying their electric or natural gas bill, or are currently disconnected.

AREA AGENCY ON AGING TO HOST 10th ANNUAL SOLUTIONS FOR FAMILY CAREGIVER EXPO

The Area Agency on Aging 1-B will be hosting their 10th annual *Solutions for Family Caregiver Expo* on October 24, 2009 from 9 a.m. to 2 p.m. at the Rock Financial Showplace in Novi.

The event will feature several expert presentations and exhibitions, free refreshments, free parking, free admission, and will have an "Ask the Expert" forum that will be available to answer any questions you may have on Medicare, Medicaid, and potential referrals to local services.

The Rock Financial Showplace is located at 46100 Grand River Avenue in Novi, between Novi and Beck Roads. For more information, visit www.michigancaregiverexpo.com or call 1-800-852-7795.

Coffee Hours

*In response to requests from constituents, I have added coffee hours in Roseville and during the daytime. Here are my next scheduled coffee hours. Please feel to stop on by or make an appointment by calling my office.

October 26 1:30-2:30 p.m. Senator Switalski's District Office (31513 Gratiot, Suite B) Roseville	November 30 7-8 p.m. Clinton-Macomb Public Library-South (35891 South Gratiot) Clinton Township
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Mickey's TV Insider Show

Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

Sterling Heights

Every Saturday and Sunday at 1 p.m.
(Comcast Channel 5/WOW Channel 10)

Utica

Every Wednesday at 9 a.m.
(Comcast Channel 5/WOW Channel 10)

Clinton Township

Last week of every month- Sat thru Thurs
(Comcast Channel 5/WOW Channel 10)

Roseville

Various Times-check local listings
(Comcast Channel 18/WOW Channel 10)

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